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VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

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STOCK MARKET GAINS \$3.7 TRILLION OVER LAST 12 MONTHS

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WASHINGTON, D.C. – The improvement in the stock market since its trough in October of 2002 has added \$3.7 trillion in market capitalization to the market, Vice Chairman Jim Saxton said today. This figure is based on increases in the value of stocks listed on the New York Stock Exchange and Nasdaq through the end of last week.

“The rise in the stock market over the last year is welcome and marks the first sustained improvement since the bursting of the stock market bubble in 2000,” Saxton said. “This increase in the stock market partly reflects anticipation of the economic acceleration now underway, fueled by monetary stimulus and broad tax relief. Recent policy changes reducing the tax rates on dividends and capital gains have made particularly important contributions to the recent gains in the stock market.

“Of course, market ups and downs will continue, but the trend over the last year certainly is positive. The recent increase in equity values will help rebuild Individual Retirement Arrangements (IRA)s, 401(k)s, and other investments devastated by the bursting of the stock market bubble early in 2000. A sustained improvement in economic conditions and profits in coming months could reasonably be expected to consolidate if not extend recent increases in the stock market, unless repeal of recent tax relief measures were actually under serious consideration,” Saxton concluded.

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